

# **SMALL BUSINESS LOAN FUND CORPORATION**

## **MINUTES OF THE BOARD OF DIRECTORS**

**October 30, 2014**

### **PUBLIC SESSION**

A monthly meeting of the Board of Directors (the “Board”) of the Small Business Loan Fund Corporation (the “Corporation”) was held in public session at the offices of the Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, October 30, 2014, scheduled for 9:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. John Pagliarini, Ms. Antonieta Falconi and Mr. Lee Mercer.

It was noted that Ms. Yahaira Placencia has resigned from the Board.

The following Directors were absent: Mr. Joseph Monteiro

Also present were: Mr. William Ash, Director of Financial Services for the Rhode Island Commerce Corporation, Ms. Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Administrator, Mr. Christopher Cannata, Manager of Client Services for the Rhode Island Commerce Corporation, and Mr. Tom Moses, Esq., Moses Afonso Ryan Ltd.

Mr. Fogarty presided over the meeting.

**1. Call to Order.**

Mr. Fogarty called the meeting to order at 9:36 a.m.

**2. Approval of the Minutes of the Meeting held on September 25, 2014**

The first item to come before the Board was the approval of the Minutes of the Board meeting held on September 25, 2014. A motion was duly made by Mr. DeMerchant and seconded by Mr. Mercer, to approve the Public and Executive Session Minutes of the meeting noted above was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro

**3. Maintain the Executive Minutes of the September 25, 2014 meeting as Confidential**

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on September 25, 2014. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro

**4. Report of Cash Position as of September 30, 2014**

Staff asked if there were any questions or comments regarding the Cash Report for the period ended September 30, 2014 (Exhibit A). Mr. DeMerchant asked to be provided with a listing of active loans at the next meeting. There was no further discussion regarding this report.

**5. Delinquency Loan Report as of October 24, 2014**

Staff asked if there were any questions regarding the Loan Delinquency report dated October 24, 2014 (Exhibit B). There was no discussion regarding this report.

**Executive Session**

Mr. Fogarty suggested that the Board move into Executive Session to discuss the remaining agenda items. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the motion to move the meeting into Executive Session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(2), 42-46-5(a)(5), 42-46-5(a)(6) and 42-46-5(a)(7) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro

Public Session concluded and Executive Session began at 9:39 a.m.

**6. Executive Session Vote Ratification**

Mr. Fogarty called for ratification of the votes adopted during Executive Session. Upon motion duly made by Mr. DeMerchant and seconded by Ms. Falconi, the following votes were ratified:

- (a) To approve the request from Kenneth Castellucci & Associates, Inc. for a \$300,000 loan, subject to the conditions as outlined in Executive Session.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro

- (b) To approve the request from Hot Rides, Inc. for a \$175,000 loan which is an increase of the original request of \$150,000, subject to the conditions as outlined in Executive Session.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro

**7. Vote to Seal Minutes of Executive Session**

Mr. Fogarty asked for a motion to seal the Executive Session minutes of the meeting. Upon a motion made by Mr. DeMerchant and seconded by Ms. Falconi, the motion to seal the Executive Session Minutes of the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro

### **Adjournment**

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro

The meeting was adjourned at 10:15 a.m.

Respectfully submitted,

/s/ Stacy Farrell  
Stacy Farrell, Secretary